



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

December 20, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1, LEASE NO. 73414
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
501 SHATTO PLACE, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

The purpose of this request is to amend Lease No. 73414 to exercise a 5-year option effective January 15, 2012, currently leased for the Department of Children and Family Services under Lease No. 73414, with S.C.P.T. Real Property Holdings Inc., located at 501 Shatto Place, Los Angeles.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct Chairman to sign the lease amendment exercising a 5-year renewal option with S.C.P.T. Real Property Holdings Inc., located at 501 Shatto Place, Los Angeles, for the continued occupancy of the Department of Children and Family Services at an annual first year rent not to exceed \$287,566, which is funded at 70.23 percent through Federal and State subvention and 29.77 percent net County cost.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Children and Family Services (DCFS) has occupied 17,751 square feet of office space as the DCFS' Headquarters Annex facility (Annex) since January 2002. The Annex houses the Administrative Services staff that cannot be accommodated at DCFS's 425 Shatto Headquarters facility. The Annex houses the Procurement Section, Office of Risk Management, Internal Affairs, Trust Fund/Resource Development, Wraparound Systems of Care, and other services dedicated to assist its line and support staff. The Annex personnel provide a wide variety of administrative services for all DCFS staff including private and public clients.

The lease will expire on January 14, 2012. This proposed lease amendment will extend the lease for an additional five years.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of the County of Los Angeles (County) operations to support the timely delivery of customer-oriented and efficient public services. In this case, the County is supporting this goal by providing an office that will co-locate, streamline, and improve support services and at the same time support fiscal sustainability through savings from rent and workplace improvements. This proposed lease amendment complies with the Strategic Asset Management Principles, as shown in Attachment A.

FISCAL IMPACT/FINANCING

The cost for the first year of this lease amendment shall not exceed \$287,566 based on the terms and conditions of the lease. The program is 29.77 percent net County cost.

501 SHATTO PLACE	EXISTING LEASE NO. 73414	LEASE RENEWAL	CHANGE
Area	17,751 square feet office space	17,751 square feet office space	None
Term	01/15/2002 – 01/14/2012	01/15/2012 – 1/14/2017	New 5-year term
Annual Base Rent	\$287,033	\$287,566	+\$533
Parking	42 spaces	46 spaces	+4 spaces
Cancellation	County may cancel anytime upon 90 days prior written notice	County may cancel anytime upon 90 days prior written notice	None
Option to Renew	Two 5-year options	5-year option exercised	One 5-year option remains
Rental Adjustment	CPI capped at 2.5 percent of base rent annually	CPI capped at 2.5 percent of base rent annually	None

Sufficient funding for the proposed lease amendment is included in the Fiscal Year 2011-12 Rent Expense budget and will be charged back to DCFS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment provides for approximately 17,751 rentable square feet of office space located at 501 Shatto Place, Los Angeles. The lease and lease amendment contain the following provisions:

- The amendment commences upon Board approval, but the lease term begins on January 15, 2012, and ends five years thereafter.
- The Lessor is providing tenant improvements including carpeting and painting of the premises at its sole cost
- The amendment includes additional parking for four vehicles.
- The Lessor pays all utilities, provides interior and exterior maintenance, and janitorial services and supplies.
- The County has the right to cancel anytime by giving 90 days prior written notice.

The Chief Executive Office (CEO) Real Estate staff surveyed the County for alternative sites as requested by DCFS. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Additionally, CEO Real Estate staff surveyed the County areas that best could service the need of the department to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking for similar property is between \$17 and \$24 per square foot per year modified full service. Thus, the base annual rent of \$16.20 per square foot for the base lease cost is below the market range. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The cost of renovating and building-out office space at a new location is not feasible at this time. Should a more cost-effective facility or housing approach becomes available in the near future, the early termination right negotiated in the lease affords the County flexibility to pursue future opportunities that may become available.

The Department of Public Works previously inspected this facility for seismic compliance and concluded the facility met the requirements for County occupancy.

An Americans with Disabilities Act (ADA) assessment was completed and minor corrections are being completed by DCFS to prepare the Premises ADA compliant.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease renewal will provide the necessary office space for this County requirement. DCFS concurs with the proposed lease renewal.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:TS:ns

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Children and Family Services

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
501 SHATTO PLACE, LOS ANGELES
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ² It provides annex space for administrative staff.		X	
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²	X		
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Lease represents approximately 198 square feet per person.	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? DCFS space is 70.29 percent state and federal subvention funded and 29.77 percent NCC.	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered?		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
501 SHATTO PLACE, LOS ANGELES
WITHIN 5 MILES OF DOWNTOWN CIVIC CENTER**

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
A369	DCFS HEADQUARTERS OFFICE	425 SHATTO PL, LOS ANGELES 90020	81,192	78,335	LEASED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31,862	21,777	OWNED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52,230	42,341	OWNED	NONE
B500	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8,000	7,200	PERMIT	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171,651	149,668	OWNED	NONE
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31,540	24,835	OWNED	NONE
A723	DCFS METRO NORTH/CALL CENTER	1933 BROADWAY, LOS ANGELES	132,000	121,566	LEASED	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	147,115	133,462	LEASED	NONE
A336	SHERIFF-WILSHIRE CENTRE BUILDING	3055 WILSHIRE BLVD, LOS ANGELES 90010	7,755	7,115	LEASED	NONE
B695	HEALTH-IMMUNIZATION PRGM/ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	73,794	69,368	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	125,792	111,934	LEASED	NONE
C660	DPSS-GAIN PROGRAM REG IV/ MEDI-CAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120,327	33,635	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65,871	62,577	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62,000	60,140	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46,228	42,065	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	21,500	20,425	LEASED	NONE
A532	PH HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	113,027	101,920	LEASED	NONE
D015	DPSS-CATHOLIC CHARITIES COMPUTER CENTER	1530 JAMES M WOOD BLVD , LOS ANGELES 90017	200	200	PERMIT	NONE
A405	BOS/ARTS COMMISSION-WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD SUITE 800, LOS ANGELES 90017	7,873	7,479	LEASED	NONE
A388	ALT PUBLIC DEF-WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD, LOS ANGELES 90017	6,500	6,175	LEASED	NONE
A683	SERVICE INTEGRATION PILOT PROJECT	1910 MAGNOLIA AVE, LOS ANGELES 90007	1,035	984	LEASED	NONE
A216	DPSS-APPEALS & STATE HEARINGS	811 WILSHIRE BLVD, LOS ANGELES 90017	4,512	4,286	LEASED	NONE
A627	COUNTY ADMIN OFFICES-LA WORLD TRADE CTR	350 S FIGUEROA ST, LOS ANGELES 90071	52,516	49,890	LEASED	NONE
5461	PH-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27,578	14,811	OWNED	NONE

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
A674	DMH-HOLLYWOOD WELLNESS CENTER	5000 W SUNSET BLVD, LOS ANGELES 90027	5,588	5,309	LEASED	NONE
A436	DPSS-EXPOSITION PARK FAMILY SERVICE CENTER	3833 S VERMONT AVE , LOS ANGELES 90037	127,511	110,500	LEASED	NONE
A675	DISTRICT ATTORNEY-METRO COURT	1933 S BROADWAY, LOS ANGELES 90007	6,123	5,817	LEASED	NONE
A384	AG COMM/MTS & MEASURES-DOWNTOWN MARKET OFFICE	1320 E OLYMPIC BLVD, LOS ANGELES 90021	776	776	LEASED	NONE
A673	DCFS REGIONAL OFFICE	5757 WILSHIRE BLVD, LOS ANGELES 90036	35,548	29,923	LEASED	NONE
3155	PERFORMING ARTS CTR-DE LISA BLDG/THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27,582	17,978	OWNED	NONEt
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958,090	592,835	OWNED	NONE
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438,095	258,537	OWNED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	87,810	83,420	LEASED	NONE
5546	PH-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60,924	34,748	OWNED	NONE
5276	PH-DR RUTH TEMPLE PUBLIC HEALTH CENTER	3834 S WESTERN AVE, LOS ANGELES 90018	29,023	16,627	OWNED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221,359	134,851	OWNED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LOS ANGELES 90012	30,905	27,785	LEASED	NONE
3972	FORD AMHPITHEATRE-SPECIAL EVENTS OFFICE	2580 CAHUENGA BLVD E, HOLLYWOOD 90068	965	825	OWNED	NONE
A632	PUBLIC DEFENDER-PIAS ET. AL.	312 S HILL ST , LOS ANGELES 90012-3503	9,782	9,293	LEASED	NONE
6304	PROBATION-CRENSHAW AREA OFFICE	3606 W EXPOSITION BLVD, LOS ANGELES 90016	19,112	14,020	OWNED	NONE
A442	MENTAL HEALTH-LAPD - SMART TEAM OFFICE	419 S SPRING ST, LOS ANGELES 90013	1,000	1,000	GRATIS USE	NONE
A218	MENTAL HEALTH-SKID ROW MANAGEMENT TEAM	420 S SAN PEDRO ST, LOS ANGELES 90013	3,516	3,340	LEASED	NONE

AMENDMENT NO.1 TO LEASE NO.73414
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
501 SHATTO PLACE, LOS ANGELES

This Amendment No. 1 to Lease No. 73414 ("Amendment") is made and entered into effective as of this _____ day of _____, 2011 by and between S.C.P.T. Real Property Holding, Inc. a California Corporation, ("Lessor"), and the COUNTY OF LOS ANGELES, a body politic and corporate, ("Lessee").

WHEREAS, S.C.P.T. Real Property Holdings, Inc, ("S.C.P.T.") as owner of the property located at 501 Shatto Place, Los Angeles, ("Property"), and Lessee entered into a Lease bearing No. 73414 dated June 19, 2001, whereby S.C.P.T. leased to Lessee approximately 17,751 gross square feet of office space together with 42 parking space for a term beginning January 15, 2001, and ending January 14, 2012 for use by the Department of Children and Family Services ("Lease");

NOW, THEREFORE, in consideration of the rents, covenants and agreements herein contained, and intended to be legally bound, Lessor and Lessee hereby covenant and agree the following amendments are effective upon the date above written:

1. TERM. Paragraph 3. Term, is amended to provide that the term of the Lease will expire upon the later of (i) January 14, 2017, or (ii) the date that is five (5) years after the date the Board of Supervisors of the County of Los Angeles has approved the extension of the term for five (5) years beyond the current January 14, 2012 expiration date. Lessee shall continue to have one (1) additional option to renew the Term as set forth in Paragraph 2(B) of the Lease.

2. RENT. Paragraph 3 of the Lease, is deleted in its entirety and in its place shall be substituted the following:

"Lessee shall continue to pay a monthly rent for the Premises in the amount of \$23,963.85 per month, or \$1.35 per square foot, ("Base Rent"). All rent payable under this Lease, as amended, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis. Lessor shall file a Payment Voucher annually therefore, during the month of June, with the Auditor of the County of Los Angeles (the "County").

3. PARKING. Paragraph 21 of the Lease, shall be amended by including the following:

"Per the existing Lease, Lessee shall have the right to an additional two (2) tandem parking spaces (a total of four (4) spaces) for the duration of the Lease Term."

4. TENANT IMPROVEMENTS. Paragraph 26 of the Lease shall be deleted and in its place the following:

"26. Alteration and Preparation of Premises. Lessor will cause, at his sole cost and expense, to be constructed at the Premises, interior and exterior improvements, to begin by February 19, 2012 and to be completed by June 19, 2012 within One Hundred Eighty (180) days of the commencement date as follows:

Replace Carpet throughout the premises with carpet tile, per Lessee's specification, installation includes lifting all modular furniture during installation in an amount not to exceed seven dollars (\$7.00) per usable square foot contained in the Premises.

Paint all interior walls, including hallways, common areas, restrooms, conference rooms, and lunch/ break rooms, and existing hollow metal door frames, per list provide by Lessee. Refinish wood entry doors on the 3rd floor. Lessor not responsible to move and paint behind modular panels and or attached furniture.

Create new entry door to conference room on the 3rd floor from the corridor and install eight (8) kick plates on designated doors on the 3rd floor.

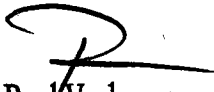
Any expenditures by the Lessor, even if it benefits the County, shall not be recovered by the Lessor, who shall solely bear the risk of loss for incurring such liabilities.

Signature page follows.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Mayor of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

S.C.P.T. REAL PROPERTY HOLDING, INC., ^{CA 8/15/11}
a California corporation

By:  Paul Vacheron ^{8/16/11}
Managing Director, Asset Management

ATTESTED:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

Deputy

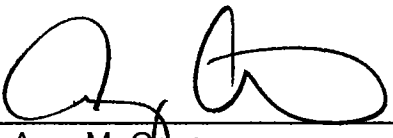
LESSEE

COUNTY OF LOS ANGELES

By _____
ZEV YAROSLAVSKY
Chairman, Board of Supervisors

APPROVED AS TO FORM:

OFFICE OF ANDREA SHERDIAN ORDIN
COUNTY COUNSEL

By  :
Amy M. Caves
Senior Deputy, County Counsel